

ARTICLE APPEARED
ON PAGE 277

PHILADELPHIA INQUIRER
19 February 1987

Reagan allegedly gave Tower panel conflicting accounts of arms deal

By Jack Nelson
Los Angeles Times

WASHINGTON — President Reagan, in two meetings with the special commission investigating the Iran-contra affair, gave conflicting statements on whether he authorized Israel's first shipment of U.S. arms to Iran in August 1985. White House and other sources said yesterday.

The President at first told the commission, headed by former Sen. John G. Tower (R., Texas), that he had approved the shipment, the sources said. That contradicted congressional testimony by White House chief of staff Donald T. Regan and substantiated testimony by former national security adviser Robert C. McFarlane.

However, almost three weeks later, in a second closed-door session that was initiated by Reagan, the President told the commission that after a lengthy discussion with Regan, he had concluded that he was mistaken — that actually he had not authorized the shipment.

At the White House, both chief spokesman Marlin Fitzwater and David Abshire, Reagan's special counsel coordinating the President's response to investigations into the Iran-contra affair, declined to comment on the President's statements to the commission.

Reagan's contradictory statements, along with the conflicting accounts that Regan and McFarlane gave to the Senate Intelligence Committee, are expected to be cited in a hard-hitting commission report that will criticize the President and some of his top advisers for what one source called "an operation so sloppy that every time they turned around, there was another screw-up."

According to a source familiar with the report, it will show, among other things, that:

- There were two aspects of a cover-up attempt. Aides at first tried to come up with a plausible cover story but were so baffled by some aspects of the "incredibly complicated" covert operation that they were unable to do so. Then White House aides tried to quell the furor by putting Reagan on television at a news conference. "They thought they could get out of the problem by sticking the old man in front of the television tube with 3-by-5 cards to explain it, but that didn't work either," the source said.

- Secretary of State George P. Shultz, who privately opposed the policy of selling arms to Iran and publicly stated his opposition to the policy after it was exposed, knew much more about the operation than

he has stated publicly and "absented himself" from his duties in connection with the operation. "Shultz doesn't come out looking good and neither does anybody else," the source said.

- More than \$20 million in funds ostensibly intended for the Nicaraguan contras — \$10 million contributed by the sultan of Brunei at the State Department's request and more than \$10 million in profits from the sale of arms to Iran — has not been accounted for, and the commission

has no evidence that any of the money went to the contras.

- Former CIA Director William J. Casey was more deeply involved in the Iran-contra affair than he has admitted, and he personally solicited funds from some foreign countries to aid the contras.

- In addition to the funds contributed by Brunei, Casey or other government officials solicited funds for the contras from about five other countries, including South Korea and Taiwan.

The selling of arms to Iran and evidence turned up by Attorney General Edwin Meese 3d that profits from the arms sale had been diverted to aid the contras also are being investigated by an independent counsel and special Senate and House committees.

According to one source, the Tower commission has "only scratched the surface of the biggest issue that involves possible illegalities — and that's White House involvement in funding for the contras."

The investigation by independent counsel Lawrence E. Walsh, who is being aided by FBI agents, reportedly is concentrating not only on covert operations to finance the contras but also on attempts to cover up the arms sales and their link to the contras.

A source familiar with that investigation said: "The cover-up is becoming more important than what they tried to cover up, and it's looking more and more like there could be an obstruction of justice."

In this regard, the Walsh investiga-

tion is now understood to be focusing on the activities of White House and other administration aides, rather than on the President.

The Tower commission has concluded that the major goal of the President's policy was to secure Iran's assistance in seeking the release of American hostages held in Iran, even though Reagan has said that the main goal was to establish relations with "moderate elements" in that country, one knowledgeable source said.

The commission was appointed by the President to examine the National Security Council's role in the Iranian arms initiative. It is the only official body to question Reagan about the Iranian-contra affair, and its report is expected to be the most comprehensive account thus far of the scandal.

The report, scheduled to be sent to the President on Feb. 26, will describe how White House aides were "scrambling around" in an effort to create a "cover story" explaining the Iranian arms sale after it was first disclosed in a Beirut magazine Nov. 4, according to an informed source.

The report will make few recommendations for structural changes at the NSC, according to one source, because the commission "found a people problem, not a structural problem."

The contradictory statements by Reagan concerning the first Israeli shipment of arms to Iran occurred at two meetings of the Tower commission at the White House.

The President, when he first appeared before the commission Jan. 26, reportedly was asked twice whether he had authorized the Israeli shipment. Both times he said he had done so.

These statements buttressed the account given by McFarlane when he testified earlier before the Senate Intelligence Committee that Reagan gave oral authorization for the shipment.

The President's statements, however, contradicted chief of staff Regan's sworn testimony before the Senate committee that the President had declined to authorize the sale because of misgivings about the cre-

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dentials of the Iranian arms merchant and middleman in the deal — Manucher Ghorbanifar — and questions about whether Ghorbanifar had any significant influence in Iran.

After the Jan. 26 meeting, Reagan offered to meet again with the commission. On Feb. 11, he held a 70-minute session with its three members: Tower, former Secretary of State Edmund S. Muskie and Brent Scowcroft, national security adviser in the Ford administration.

This time, according to a knowledgeable source, "the President said he had talked it over at great length with Don Regan and wanted to correct himself, he had not authorized the first shipment."

The commission is scheduled to interview McFarlane today at the Bethesda Naval Hospital, where he is recovering from an overdose of Valium that police said was taken in an apparent suicide attempt. The commission originally had been scheduled to interview McFarlane on Feb. 9, the day he was taken to the hospital.

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NEWS SUMMARY



Oklahoma Democrat David L. Boren (left), chairman of the Senate Intelligence Committee, confers with panel member Patrick J. Leahy (D., Vt.) as confirmation hearings continued for CIA director-designate Robert M. Gates. Senators accused Gates of helping former Director William J. Casey mislead Congress on the CIA's involvement in the Iran-contra affair. Page 1-A.

Associated Press